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## **Physician resource use measurement**

**ISSUE:** In its March 2005 Report to the Congress, the Commission recommended that Medicare measure physician resource use and share the analysis with physicians in a confidential manner. The Congress implemented our recommendation in the recent Medicare Improvements for Patients and Providers Act of 2008 (MIPPA). CMS has begun to explore how it will implement it.

**KEY POINTS:** Medicare should measure physician resource use and provide feedback to encourage efficiency (defined both by resource use and quality) and discourage inefficiency. The measurement and feedback program has the greatest chance of achieving these outcomes if it follows key policy principles, such as adopting a transparent measurement methodology, reaching out to the physician community for input, focusing on education and outreach, and improving the program over time. In addition, aggregating Medicare data with private plan data could result in more robust measurement of physician resource use.

**ACTION:** Commissioners will discuss policy principles to guide the MIPPA-mandated physician resource use measurement program. They will also discuss options for releasing or aggregating Medicare data to support other organizations' physician measurement efforts.

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